

Gunnison Valley Regional Housing Authority

Regular Board Meeting Minutes - Amended
January 9, 2019
202 E. Georgia Avenue, Gunnison, CO

1. Call to Order

Kelly McKinnis called the meeting to order at 3:04 pm.

Members Present

Chris Haver, Crested Butte Representative
Jim Schmidt (Secretary) Crested Butte Elected
John Messner, Gunnison County Elected
Ellen Harriman, City of Gunnison Representative (via phone)
Carlos Velado (Vice-Chair) Mt. Crested Butte, Representative
Matt Feier (Treasurer) Member-at-Large
Kelly McKinnis (Chairperson) County Representative
Todd Barnes, Mt. Crested Butte Elected
Jim Gelwicks, City of Gunnison Elected

Staff Present

Jennifer Kermode, Executive Director
Loren Ahonen, GVRHA Program Administrator, GV-HEAT program

Public Present

Scott Cox, Interested Citizen

2. Public Comment

There were no public comments.

3. Consent Agenda

Jennifer announced that year-end net position for the GVRHA \$42,201. Carlos asked if the year-end numbers could change; Jennifer noted that the numbers are on an accrual basis so accurately represent year-end results. John noted that the excel spreadsheet shows that the County, the City, Crested Butte and Mt. Crested Butte are not under budget as shown and will correct those formulas in the excel spreadsheet. Carlos asked about the net loss of \$7363.40 showing for the HEAT program; Jennifer explained that there was carry-over from 2017 contributions that are not showing as income in 2018 so the program does have an operating fund balance but appears to have 'lost' money in 2018.

Kelly noted that the 12.13.18 Consent Agenda was not approved in December so needs to be approved today. Jim S. asked some questions about the waitlist for Anthracite and popularity of Mtn View Director's coffee; Kelly asked if HAPs would be affected by the government shut down – Jennifer indicated that DOH has not informed us of any impact yet, John said SNAP payments will be made through the end of February so we could anticipate HAPs to follow suit.

John asked if there is any further conversation with CARE about using local contractors for the HEAT program; Loren and Jennifer had a conversation with Michael Harris from CARE – he is willing to let us continue to use local contractors and assessors for CARE work for the time being but is very concerned about liability to CARE and the GVRHA if work performed presents health and/or safety hazards to residents. He is much more comfortable with utilizing certified WAP contractors to perform CARE assessments, work and inspections and may require this later this year.

Jennifer asked if there were updates to the calendar:

1.22.19/6:00 pm – CB Council will have a work session to discuss how to use the \$550,000 received from the ADU potential lawsuit.

2.11.19/12:00 pm – Mayors and Managers will hear about the Regional Housing Plan.

2.21.19/tbd – City Council open meeting regarding updates to comprehensive plan

Jim G. moved to approve the 1.9.19 Consent Agenda with the corrections to the budget review spreadsheet as discussed, Jim S. seconded. The motion passed unanimously.

4. Administrative Items

a. Member Updates

City - Due date for the Lazy K proposals has been extended by one week. Anton will be on board effective February 1. Jim G. will be working down at the state later in February and expect housing to be on his committee agenda.

County – Lot 22 proposals are due on the 18th with a possible maximum of 80 units. He is involved with the state-wide housing workgroup looking for avenues to solutions.

Crested Butte – considering how to maximize the use of the \$550,000 received from the school district for their two units; they may need to delay the lotteries because banks are taking a long time to get lender approvals done, Jennifer indicated she had not been made aware of this; had a joint session with Mt CB on the Brush Creek proposal with some agreement on three conditions to send to the BoCC; Jennifer attended the joint session and offered that the GVRHA could provide landlord/tenant dispute resolution services to the residents of the county as there is no other organization locally that does so; a current CB ordinance prohibiting tear-downs of structures 50-years old or older due to historical preservation – younger structures in substandard conditions are being sought after for renovation to second homes so the Town needs to reconsider the seasoning limitations as many of these homes provide low-income housing opportunities.

Mt. Crested Butte – the contract for the Homestead neighborhood development has not yet been fully executed, just waiting for a final signature from the HOA for the Amended Deed Restriction (it's already been discussed and approved but not formally signed yet).

Vail Resorts – no updates available.

b. Outline of Special Limited Partnership Terms

Jennifer reminded the Board that in December they reviewed a Term Sheet template, this is the first draft of this negotiating tool. When the Board approves of the terms it contains it will go to Belmont for review and negotiation.

Specific terms for the Board to consider include:

1. The Board should create a wholly-owned subsidiary (WOS) to be the partner in the partnership to provide barriers to liability; our IGA allows us to create such an entity. Jennifer will confer with Jon Peterson on its structure and governance.
2. John asked about Paragraph 6 and the timeframe for initial affordability via property tax exemption expiration – the GVRHA has the authority to determine when that termination could happen (subject to the terms of the Operating Agreement).
3. Carlos asked about risk to individual members of the GVRHA – the wholly-owned subsidiary protects each individual member and their assets as well as the GVRHA assets.
4. John asked about Paragraph 9 – do we want to add that the WOS could assign to any member of the GVRHA its right of first refusal if the WOS does not have financial capacity to purchase the property in the event of default, but one of its members does. Jennifer will ask that question of Jon Peterson. Jennifer asked if the Board wanted the memorandum of the right of first refusal recorded and the Board concurred.
5. Kelly asked about Paragraph 10 – did Belmont apply for a 40-year affordability period? The Board agreed that this should match the Belmont application to CHFA.

Jennifer provided a summary of modifications to the Term Sheet:

1. Assign and record the right of first refusal
2. 40-year affordability period
3. Insertion of desired name of the WOS

Jennifer confirmed via a conversation with Belmont that they do not need the Term Sheet or the Resolution of Participation prior to purchasing the property (which is scheduled for later this month). John would like to see the next draft of the Term Sheet to show to the County attorney prior to Board adoption as the entity being impacted by the tax exemption. The hard deadline for the final version of the Term Sheet and Resolution of Participation will be prior to the partnership executing the Operating Agreement, which is expected sometime in May.

The Board will need to decide upon a name for the wholly-owned subsidiary.

c. Resolution 2019-001: Authorization of Acquisition of Special Interest – GardenWalk of Gunnison

Jim S. asked if this document was tied to the Term Sheet; Jennifer explained that this is a separate document that authorizes the GVRHA to enter into the partnership with Rural Housing of Gunnison, LP and provide a \$100,000 soft loan to the project.

Jennifer also clarified that the possible soft loan from the Gunnison Valley Housing Foundation (GVHF) would come through the GVRHA/WOS as one loan. This would be accomplished as a loan from them to us to the project; repayment to them would be the same as ours based on cash flow.

The Resolution as presented today is for informational purposes only until the Board is ready to enter into the partnership sometime in May. There is no motion required at this time.

Jim G. would like to hear from Jon Peterson whether the WOS needs to be project-specific for liability reasons. Jennifer will check with him.

d. Funding Mechanisms

As discussed at the Board retreat in December, John has investigated different funding mechanisms used by various housing authorities around the state including Denver Housing Authority, Broomfield Housing Authority, Colorado Municipal League, Colorado Counties Inc. and representatives from the state-wide housing stakeholder group to get a breadth of understanding of different taxing mechanisms available to fund affordable housing. Broomfield is also exploring all the different funding mechanisms available. Different approaches are based on abilities of jurisdictions to implement strategies and it seems that multijurisdictional housing authorities are the most limited entities.

The Board discussed John's memo on 'localized funding mechanisms for housing.' Jim S. asked if John's implication was to move away from having one tax for the whole county. John said he is trying to figure out how to layer it and that one particular source may not be the solution, according to other housing authorities. John is suggesting each GVRHA jurisdiction explore what mechanisms are available and feasible for them to implement to fund affordable housing in their jurisdiction around \$300 - \$500K per year, and, along with that, for the GVRHA to develop two different projects – one on south end and one on north end - to go to the voters for specific bonding questions from the GVRHA. The other funding mechanisms for generating \$300 - 500K per year also get utilized to construct housing with a shared vision and pooled resources in creating different projects. Can we work together on specific projects and how do we pool resources? Some of these mechanisms may be more palatable to the voters of the county rather than a straight mill levy for generic purposes.

Jim G. asked where the administrative costs would come from for these added projects; John expressed that GVRHA members would dedicate a portion of these funding streams to cover the needs of the housing authority to administer the additional programs and housing.

Kelly expressed her opinion that previous goals of the board included securing a dedicated funding for the housing authority so we could serve the entire county, and all could remain a member; it was acknowledged that there is a concern that future government leaders could change their minds about how the GVRHA is funded. Jim S. asked if John was giving upon the idea of the idea of the referred measure being

brought up again – John said no, he only suggested being very specific about what projects we put in front of the public for a mill levy going forward; Jennifer reminded the Board that we did discuss this strategy at the December retreat. John reminded the Board that this memo is intended to be a format for discussion at this board meeting only – not a recommendation from this board to put in front of each jurisdiction for pushing forward on a funding mechanism.

Todd asked if the board decided at the retreat if another referred measure would go on the ballot in 2019. His council has talked about generating funds through a short-term rental tax in the meantime but would also support another referred measure if the campaign was more focused – perhaps waiting until 2020 when the message can be more developed and results of a STR tax measure is preferred. John reiterated that his memo discussed waiting until 2020 for these reasons.

Jennifer expressed her appreciation of the work John put into this and the valuable talking points for the Board to pay attention to.

5. Other Business

Jennifer introduced Loren to the Board as the GVRHA's new employee as Program Administrator for the GV-HEAT program.

6. Adjourn

The meeting was adjourned at 4:58 pm.

Minutes prepared by:



Jennifer Kermode, Executive Director

Approved on 2.14.19



Kelly McKinnis, Chair

2018 Budget Review YE 12.31.18

	A	B	D	F	G
1					
2	INCOME	2018 Actual	2018 YTD Budget	Under Budget	% of Budget
3	Community Contributions				
4	County	\$93,500	\$93,500	-\$7,792	100.00%
5	City	\$53,000	\$53,000	-\$4,417	100.00%
6	Crested Butte	\$58,752	\$58,750	-\$4,894	100.00%
7	Mt. Crested Butte	\$43,500	\$43,500	\$7,250	100.00%
8	Total Community Contributions	\$248,752	\$248,750	-\$2	100.00%
9	Management Fees				
10	Anthracite Place Apts	\$14,964	\$14,964	\$0	100.00%
11	Salary Reimbursement	\$24,544	\$27,629	\$3,085	88.83%
12	Mountain View Apts	\$16,800	\$16,800	\$0	100.00%
13	Mtn View Ops Subsidy	\$25,008	\$25,008	\$0	100.00%
14	Performance Incentive	\$7,390	\$7,390	\$0	100.00%
15	Stallion Park Condos	\$6,631	\$7,512	\$881	88.27%
16	Other:				
17	Total Management Fees	\$95,337	\$99,303	\$3,966	96.01%
18	Interest Income	\$1,408	\$0	-\$1,408	
19	Grants				
20	Administration Fees				
21	Section 8	\$13,710	\$16,800	\$3,090	81.61%
22	Other:				
23	Total Administration Fees	\$13,710	\$16,800	\$3,090	81.61%
24	Real Estate Commissions	\$3,853	\$5,000	\$1,147	77.06%
25	Application Fees	\$0	\$1,000	\$1,000	0.00%
26	TOTAL INCOME	\$363,060	\$370,853	\$7,793	97.90%
27					
28					
29	EXPENSES	2018 Actual	2018 YTD Budget	Over Budget	% of Budget
30	Accounting	\$8,172	\$11,620	-\$3,448	70.33%
31	Advertising & Marketing	\$2,233	\$3,000	-\$767	74.43%
32	Administrative Expense	\$4,403	\$4,000	\$403	110.08%
33	Bank Fees	\$30	\$0	\$30	
34	Computers			\$0	
35	Hardware	\$2,200	\$1,700	\$500	129.41%
36	Software Programs	\$0	\$500	-\$500	0.00%
37	Technical Support	\$375	\$1,000	-\$625	37.50%

2018 Budget Review YE 12.31.18

	A	B	D	F	G
38	Contracted Services			\$0	
39	Copier Lease	\$1,911	\$1,764	\$147	108.33%
40	Copier Service	\$863	\$650	\$213	132.77%
41	Telephones	\$792	\$930	-\$138	85.16%
42	Dues & Memberships	\$1,100	\$1,200	-\$100	91.67%
43	Education & Training	\$880	\$6,500	-\$5,620	13.54%
44	Insurance	\$5,671	\$4,500	\$1,171	126.02%
45	Internet Provider	\$2,030	\$930	\$1,100	218.28%
46	Internet Subscriptions	\$1,695	\$2,500	-\$805	67.80%
47	Legal Services	\$3,688	\$14,000	-\$10,312	26.34%
48	Office Supplies	\$3,612	\$3,700	-\$88	97.62%
49	Postage	\$427	\$900	-\$473	47.44%
50	Meter	\$0	\$416	-\$416	0.00%
51	Professional Services	\$14,750	\$26,000	-\$11,250	56.73%
52	Rent	\$8,932	\$9,750	-\$818	91.61%
53	Jail Rent	\$1,200	\$0	\$1,200	
54	Salaries	\$196,960	\$202,582	-\$5,622	97.22%
55	Benefits	\$51,766	\$28,911	\$22,855	179.05%
56	Travel			\$0	
57	Meals	\$285	\$1,750	-\$1,465	16.29%
58	Mileage	\$3,395	\$9,950	-\$6,555	34.12%
59	Lodging	\$1,718	\$5,650	-\$3,932	30.41%
60	Auto Expense	\$1,771	\$1,500	\$271	118.07%
61	Website	\$0	\$1,200	-\$1,200	0.00%
62				\$0	
63	TOTAL EXPENSES	\$320,859	\$347,103	-\$26,244	92.44%
64					
65	NET INCOME/(LOSS)	\$42,201	\$23,750	\$34,037	

GVRHA
BALANCE SHEET
As of December 31, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Development fund	89,756.60
Money Market	403,137.13
Operational Fund	245,854.98
Total Bank Accounts	\$738,748.71
Accounts Receivable	
11000 Accounts Receivable	-19,540.00
Total Accounts Receivable	\$-19,540.00
Other Current Assets	
12000 Undeposited Funds	0.00
Total Other Current Assets	\$0.00
Total Current Assets	\$719,208.71
TOTAL ASSETS	\$719,208.71
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 Accounts Payable	1,292.20
Accounts Payable (A/P)	0.00
Total Accounts Payable	\$1,292.20
Other Current Liabilities	
Payroll Liabilities	-5,459.24
Total Other Current Liabilities	\$-5,459.24
Total Current Liabilities	\$-4,167.04
Total Liabilities	\$-4,167.04
Equity	
30000 Opening Balance Equity	20,474.73
32000 Retained Earnings	739,706.32
Net Income	-36,805.30
Total Equity	\$723,375.75
TOTAL LIABILITIES AND EQUITY	\$719,208.71

